

complaint

Mr W complains about various aspects of the way in which Erudio Student Loans Limited administered his account.

Mr W is represented by his mother, Mrs W, in referring his complaint.

background

It's accepted by all parties as to where the administration of the account has been poor. Therefore, I don't need to repeat here the detail of what has gone wrong with the accounts; what steps were taken to rectify matters; or what the parties have said about the poor administration.

I should be clear, though, that I have considered all that has been presented by both parties as to what has happened and the impact of those events. The matter at issue, however, is what Erudio should now do to resolve Mr W's complaint about that poor administration of the account.

Erudio has put right with Mr J any financial disadvantage he has suffered as a result its actions. And it has paid him £100 compensation. Our adjudicator considered that Erudio ought to pay to Mr W a total amount of £250 and he recommended that to Erudio. Erudio agreed to pay Mr W the additional £150. And the adjudicator recommended to Mr W that he accept this to settle his dispute. But Mr W doesn't.

Mr W has asked that his complaint be reviewed by an ombudsman. He says that his total debt to Erudio should be written off. He says that this is appropriate due to the upset and inconvenience that Erudio's poor administration of the account has caused him; and he also considers that the actions of Erudio has meant that repayment of his debt should not be legally enforceable.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

It seems to me that there are two bases on which to consider whether Mr W should have to repay the outstanding debt to Erudio. First, should Erudio be required to write off the outstanding amount, based on Mr W's argument that its administration of the account was unsatisfactory?

I am required to determine complaints by reference to what I consider to be fair and reasonable in all the circumstances. In making that determination, amongst other things, I must have regard to any relevant law and regulations, regulator's rules, guidance and standards, codes of practice and good industry practice at the relevant time. Primarily, however, I have to consider what is fair and reasonable in coming to a determination.

And, as regards the enforceability of a loan's repayment, whether Mr W is contractually liable for the debt – as he suggests he might not be - and the debt recoverable in law is ultimately an issue for a court to decide, not me. I say that, as even if an agreement were not legally enforceable, that does not mean that I might say that it is fair and reasonable for a debt to

not still be owed. Or that Erudio should be prevented from asking for repayment of outstanding sums, in the particular circumstances.

In this case, there is no dispute that Mr W was in receipt of loan monies that he is being asked to repay and I cannot therefore fairly and reasonably say the bank cannot seek repayment from him of those loan monies.

It remains, however, that Mr W would of course still be entitled to raise his arguments in court proceedings should he wish to do so, and if such proceedings arise. And I note that Mr W says he may pursue this option.

That all said, all parties agree that Erudio should pay Mr W compensation and I have, secondly, considered a write off of the loan on the basis that this represents fair compensation. I do not agree, however, that Mr W is entitled to compensation at a level that would be necessary to do this. Indeed, taking everything into account, I agree with the adjudicator that a total compensatory sum of £250 is appropriate in this matter.

I therefore agree that Erudio should pay a further £150 to Mr W for the upset and inconvenience it has caused to him. But I make no further award against, or direction to, it.

my final decision

My final decision is that Erudio Student Loans Limited should pay £150 to Mr W in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 14 September 2015.

Ray Neighbour
ombudsman